

## PROJECT OVERSIGHT REPORT

Online Record of Clinical Activity Project (ORCA)  
UW Academic Medical Center (UWAMC)

Report as of Date:  
April 2005

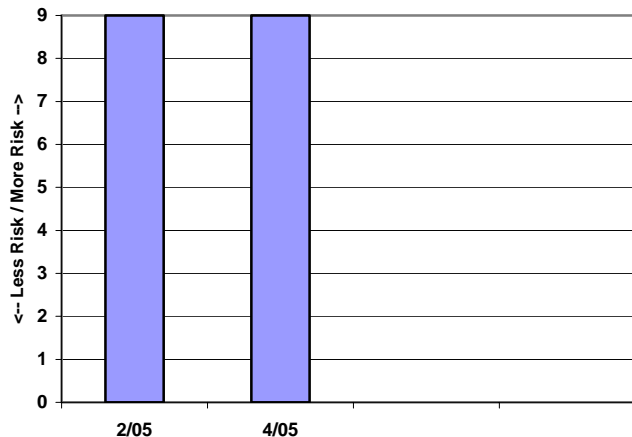
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Severity/Risk Rating: High (Severity high, risk high)

Oversight: Level 3 – ISB

### Overall Project Risk Assessment



#### Staff Recommendations:

- Develop a coordinated approach to address the recommendations adopted by the Information Services Board on March 10, 2005.
- Develop a plan to improve physician acceptance of all ORCA applications.
- Project administration, including organizational roles, authority, and structure of ORCA needs to be clearly defined. Regular status reports and documentation needs to be performed on a regular schedule.
- Include ISB staff attendance in third party QA selection process.

#### Issues/Risks:

The ISB took the following actions related to the ORCA project.

- Continued the freeze on UWAMC delegated authority for the ORCA project as outlined in letter of February 11, 2005.
- Directed ORCA to present a UW approved investment plan to the ISB for completion of the ORCA project.
- Directed UW to adopt new IT investment procedures consistent with Portfolio Management.
- Directed UW to establish a central point of IT investment accountability which includes internal management of the University's delegated authority.
- Directed the UW to prepare a reconciliation of project budget and contract deliverables.
- Directed that restoration of delegated authority to ORCA is contingent upon satisfying all the above criteria. UW may submit a request to ISB staff to have their delegated authority restored. Department of Information Services (DIS) Deputy Director will determine if the appropriate actions have been taken and notify the UW and the ISB when compliance has been achieved.

Budget: With the freeze in delegated authority UW Medicine is required to present their investment plan that addresses the completion of the ORCA project to the ISB. They are required to have approval within the University of Washington prior to coming to the ISB.

Schedule: Schedule will be a component of the new investment plan to complete ORCA. UW Medicine's goal is to come to the ISB in July 2005. Issues include accomplishing the analysis required for the investment plan and getting approval at the UW in time to make the July 2005 meeting.

Currently implemented: Medical Records, Document Imaging at Harborview, In-patient Pharmacy at Harborview (new implementation, April 2005), Powerchart (partially), and limited Clinical Documentation were implemented previously.

Modules behind original plan: Clinical Documentation, Powerchart/Results Review, in-patient Pharmacy at UW, Orders, Retail Pharmacy, Nursing Documentation, and Document Imaging at UW. Regarding In-patient Pharmacy at UW Medical Center, the ICU pilot is scheduled to start April 27, the general medicine pilot is to start May 3, and full house conversion implementation on June 6.

External Quality Assurance: ISB staff has directed the project to initiate ongoing third party quality assurance (QA) for the duration of the project. UW Medicine has received responses to a Statement of Work for third party quality assurance vendor. Additionally, a third party project assessment commissioned by the UW is in progress with the release targeted for late April 2005.

**Status:** The project is behind schedule and does not have funding to complete the original scope. The UW Administration is in the process of an independent third party review of the project. The ISB has frozen the project from adding any additional resources until UW Medicine submits an investment plan for approval. The pilot of the in-patient pharmacy application was completed at Harborview Medical Center and became a production system the first week of April.

DIS Team: DIS assembled a team to do a financial review, a platform review, and a full report to the ISB at the March 10, 2005 meeting. Prior to the ISB meeting, representatives from UW Medicine met with a panel of ISB members to review what happened in the project approval process to understand why DIS was not informed of the changes to the project from the investment plan and provide a history and status of the ORCA project. The meeting was a successful communication of the above outlined goals and raised appreciation for the challenges and support for objectives of the ORCA project.

IT organizational structure at the University of Washington: The ISB directed the UW to establish a central point of IT investment accountability which includes internal management of the University's delegated authority. The UWAMC IT Services organization is dedicated to providing IT support for administration and operations for UW Medical Center and Harborview Medical Center. IT Services reports to the Dean and Vice President of Medical Affairs as well as hospital administration. UWAMC IT Services is a separate organization under entirely separate management from University of Washington IT Computing and Communications (C&C). C&C supports academic, research, administration and operations for the University and its Vice President reports to the Provost and the Executive Vice President. The University is now implementing steps to resolve this gap and is drafting policy and procedures to comply with the ISB.

ISB Risk and Severity Assessment: The ORCA project is now rated a level 3 project. It is under ISB staff oversight and will have third party quality assurance oversight. ORCA will have a project status report in each ISB book.

### **Background Information**

In May 2001 the UWAMC submitted an investment plan to DIS for authorization to issue a Request for Proposal (RFP) for an application to implement an electronic medical records system that was estimated to cost \$10.3 million. The system would allow direct entry of practitioner orders, results review, practitioner documentation, integrated decision support, and health information management. The RFP was for application software, hardware and services. The application would be installed at UW Medical Center and Harborview Medical Center. DIS assessed the project at medium risk and medium severity resulting in a Level 1 assessment under the risk and severity scale in effect at that time. A level 1 assessment allows internal agency oversight. The successful vendor was Cerner Corporation, Kansas City, Missouri.

The investment request cited a first year cost of \$1,290,174 and a four-year total of \$10,284,870. The investment plan included UWAMC resources but did not identify a dollar value that would be included in the project. Included were 12 additional IT FTEs for technical activities, ancillary analysis and clinical analysis and 20 other agency staff. These FTE were later valued at \$10.8 million. Also incremental maintenance costs for hardware and software were mentioned at \$3.2 million. The investment plan should have totaled \$24,326,779.

Response to the RFP and the selection of Cerner as the apparently successful vendor brought new information to the situation. The Cerner bid was \$16.3 million rather than the estimated \$9.9 million, which included the pharmacy module, which was a late add-on. The total maintenance cost (not incremental) more than doubled to \$7.2 million for four years. Site preparation costs for modifications to nurses' stations added another \$1 million. Increased medical center IT staff costs added \$2.8 million and contingency costs were increased by \$381,000. These increases raised the cost to \$39.0 million. This is the cost approved by the UW Board of Regents in March 2002, but not reported to DIS. During contract negotiations UWAMC effectively changed the scope of the project by deciding to request modifications to the Cerner product and acquire additional modules, thus changing functionality and risk.

The objectives of the ORCA project and the value of an electronic medical record are to:

- Improve patient safety.
- Improve patient throughput and reduce resource utilization.
- Provide access to patient information across the many departments of hospitals.
- Provide options for documenting encounters.
- Support quality improvement and research and training mission.
- Provide opportunities for cost savings.